

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 OPR-02 SSO-00 EB-05 EURE-00 SS-15 NSC-04

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UNCLAS BUDAPEST 3218

E.O. 11652: N/A

TAGS: OVIP, HU

SUBJECT: SECRETARY DENT VISIT TO HUNGARY

REF: BUDAPEST 3190

USDOC FOR SECRETARY DENT

1. ACTION REQUESTED: IF ARRIVAL STATEMENT CAN BE PUT IN FINAL FORM BEFORE SECRETARY DENT GETS HERE WE WILL PRODUCE IT IN ENGLISH AND HUNGARIAN FOR DISTRIBUTION AT AIRPORT. TO ASSURE THIS CAN BE DONE WE WILL NEED FINAL TEXT BY SATURDAY AND WE THEREFORE URGE TEXT BE SENT BY THEN. PARA 2 LISTS POLICY AND COURTESY POINTS WE BELIEVE IT WOULD BE USEFUL TO MAKE. A SUGGESTED FULL STATEMENT FOLLOWS IN PARA 3.

2. POLICY AND COURTESY POINTS.

A. POLICY

(1) AN INDICATION OF WHERE MFN NOW STANDS WILL BE OF GREAT INTEREST IN HUNGARY. E.G.: "AS YOU KNOW THE UNCLASSIFIED

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PRESIDENT HAS PRESENTED TO CONGRESS A NEW TRADE BILL WHICH WOULD INCLUDE AUTHORITY FOR HIM TO EXTEND MOST-FAVORED-NATION TREATMENT TO HUNGARY. WHEN SUCH LEGISLATION WILL COME TO A FINAL DECISION IN THE CONGRESS IS NOT YET

CLEAR, BUT THE PRESIDENT AND THE ADMINISTRATION ARE GIVING IT STRONG SUPPORT AND URGING EARLY FAVORABLE ACTION."

(2) WE BELIEVE IT WILL BE USEFUL TO MENTION OUR NEED FOR BUSINESS FACILITATION ARRANGEMENTS WHEN WE NEGOTIATE A TRADE TREATY. E.G.: "WHEN WE ARE ABLE TO OPEN NEGOTIATIONS ON A NEW TRADE CONVENTION ONE OF THE MATTERS WE WILL NEED TO REACH AGREEMENT ON WILL BE MEANS FOR FACILITATING THE NORMAL FUNCTIONING OF US BUSINESSMEN IN HUNGARY. I WILL BE TOUCHING ON THIS DURING MY STAY HERE."

(3) ANY MENTION OF OUR DESIRE FOR EXPANDED TRADE WILL BE WELL RECEIVED. E.G.: "BEFORE THE SECOND WORLD WAR HUNGARY'S TRADE WITH THE US NORMALLY CONSTITUTED SOME 3-5 PERCENT OF ITS TOTAL FOREIGN TRADE. IN RECENT YEARS IT HAS BEEN LESS THAN 1 PERCENT. WE WOULD HOPE WITH THE SUPPORT OF A NEW TRADE AGREEMENT TO SEE THE RATE RETURN TO SUCH A LEVEL OR EVEN TO A HIGHER ONE".

(4) A REFERENCE TO OUR INTERESTS IN CSCE, WHICH HAS JUST RESUMED, AND IN GREATER FREEDOM OF CONTACT WOULD BE A USEFUL REMINDER TO THEM THAT IMPROVEMENTS SHOULD NOT BE LIMITED TO TRADE, E.G.: "BESIDES THE IMPROVEMENT OF TRADE RELATIONS, IN WHICH I AM OF COURSE PARTICULARLY INVOLVED, HUNGARY AND THE UNITED STATES ARE CURRENTLY ENGAGED IN OTHER ENDEAVORS TO IMPROVE RELATIONS, NOTABLY THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE AND DISCUSSIONS ABOUT A NEW CULTURAL AND SCIENTIFIC AGREEMENT. THESE ARE ALSO NECESSARY, FOR A MORE WIDESPREAD EXCHANGE OF INFORMATION AND INCREASED CONTACTS AMONG OUR PEOPLES ALSO WILL MAKE AN IMPORTANT CONTRIBUTION TO AN IMPROVED RELATIONSHIP".

B. COURTESY

(1) IT WILL BE ESSENTIAL TO MENTION VALYT'S DEATH AND HIS CONTRIBUTION TO IMPROVED RELATIONS.
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(2) HUNGARIANS LIKE TO HEAR THAT BUDAPEST IS A BEAUTIFUL CITY.

3. PROPOSED STATEMENT

I AM PLEASED THAT BUDAPEST COULD BE MY FIRST OFFICIAL STOP IN THE VISIT PRESIDENT NIXON HAS ASKED ME TO MAKE IN SUPPORT OF BETTER RELATIONS AND INCREASED TRADE WITH THE COUNTRIES OF EASTERN EUROPE.

4. EARLIER THIS SPRING I PARTICIPATED IN NEGOTIATING THE AGREEMENT WHICH HAS SETTLED THE OLD FINANCIAL CLAIMS BETWEEN US. THIS IS THE FOURTH AGREEMENT THE UNITED STATES AND HUNGARY HAVE MADE IN THE LAST 18 MONTHS. THUS, IN

LITTLE MORE THAN A YEAR A MOMENTUM TOWARD RAPIDLY IMPROVING RELATIONS HAS BEEN CREATED. MY OWN VISIT, COMING SO SOON AFTER FORMER SECRETARY OF STATE ROGERS' VISIT LAST YEAR DEMONSTRATES OUR DESIRE TO CONTINUE THE MOMENTUM.

5. I COME, HOWEVER, AT WHAT I KNOW IS A TIME OF PROFOUND SORROW IN HUNGARY, AND I EXTEND TO THE HUNGARIAN PEOPLE OUR DEEP SYMPATHY AT THE TRAGIC AND SHOCKING LOSS OF YOUR DEPUTY PRIME MINISTER PETER VALYI, WHO WAS TO HAVE BEEN MY HOST. HIS CONTRIBUTION TO THE NORMALIZATION OF RELATIONS BETWEEN OUR COUNTRIES WAS A MAJOR ONE. THOSE OF US WHO WERE PRIVILEGED TO DEAL WITH HIM, AS I WAS LAST SPRING, WILL GREATLY MISS HIS WARMTH AND HIS HUMANITY.

6. AS SECRETARY OF COMMERCE I AM PARTICULARLY INTERESTED IN THE PROSPECTS FOR FURTHER INCREASES IN TRADE AND TOURISM BETWEEN HUNGARY AND THE UNITED STATES. I WAS ESPECIALLY PLEASED TO NOTE THAT OUR TRADE DURING THE FIRST SIX MONTHS OF 1973 WAS ALMOST TWICE AS LARGE AS IN THE FIRST SIX MONTHS OF 1972. AS YOU KNOW, PRESIDENT NIXON HAS PRESENTED TO CONGRESS A NEW TRADE BILL WHICH WOULD INCLUDE AUTHORITY FOR HIM TO EXTEND MOST-FAVORED-NATION TREATMENT TO HUNGARY, UNDER WHICH WE HOPE OUR TRADE WOULD FURTHER INCREASE. WHEN THE LEGISLATION WILL COME TO A DECISION IN THE CONGRESS IS NOT YET CLEAR, BUT I CAN ASSURE YOU THAT THE PRESIDENT AND THE ADMINISTRATION ARE GIVING IT STRONG UNCLASSIFIED

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SUPPORT AND URGING EARLY APPROVAL.

7. BEFORE THE SECOND WORLD WAR HUNGARY'S TRADE WITH THE UNITED STATES CONSTITUTED SOME 3-5 PERCENT OF ITS TOTAL FOREIGN TRADE. IN RECENT YEARS, IT HAS TOTALED LESS THAN 1 PERCENT. WE WOULD HOPE THAT WITH THE ENCOURAGEMENT OF A NEW TRADE AGREEMENT THE LEVEL WOULD AGAIN REACH OR EXCEED THAT RATE.

8. SUCH AN INCREASE WOULD OF COURSE INVOLVE ADJUSTMENTS ON BOTH SIDES. WHEN IT BECOMES POSSIBLE TO OPEN NEGOTIATIONS ON A NEW AGREEMENT, ONE OF THE MATTERS ON WHICH WE WILL NEED TO REACH AN UNDERSTANDING WILL BE MEANS FOR FACILITATING THE NORMAL FUNCTIONING OF UNITED STATES BUSINESSMEN IN HUNGARY. I WILL BE TOUCHING ON THIS DURING MY CURRENT STAY HERE.

9. CONTACT BETWEEN BUSINESSMEN, AND EVEN MORE SO CONTACT BETWEEN PEOPLE, IS AN INTEGRAL ELEMENT OF OUR MUTUAL EFFORT TO ESTABLISH A MORE PEACEFUL WORLD. BESIDES TRADE, HUNGARY AND THE UNITED STATES ARE CURRENTLY ENGAGED IN OTHER ENDEAVORS TO IMPROVE RELATIONS, NOTABLY THE CONFERENCE ON SECURITY AND COOPERATION IN

EUROPE AND DISCUSSIONS ABOUT A NEW CULTURAL AND SCIENTIFIC AGREEMENT. ADVANCES IN THESE AREAS ARE ALSO NECESSARY FOR A WIDESPREAD EXCHANGE OF INFORMATION AND INCREASED CONTACTS AMONG OUR PEOPLES WILL MAKE AN IMPORTANT CONTRIBUTION TO IMPROVED UNDERSTANDING BETWEEN US.

10. I AM LOOKING FORWARD TO CORDIAL AND PRODUCTIVE CONSULTATIONS WITH DEPUTY PRIME MINISTER TIMAR, MINISTER BIRO AND OTHERS WHILE I AM HERE. HAVING HEARD THAT BUDAPEST IS ONE OF THE WORLD'S LOVELIER CITIES, I ALSO HOPE TO FIND TIME BEFORE I LEAVE T

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